

**EIGHTY-FIFTH GENERAL ASSEMBLY
2013 REGULAR SESSION
DAILY
HOUSE CLIP SHEET**

FEBRUARY 20, 2013

HOUSE FILE 209

H-1046

1 Amend House File 209 as follows:
2 1. Page 1, by striking lines 10 through 16 and
3 inserting <the complaint shall be dismissed. The
4 Not more than five days following the dismissal
5 determination, the complainant and the subject of the
6 complaint shall be sent by certified mail a copy of
7 the complaint and a notice of dismissal stating the
8 reason or reasons for the dismissal. If a copy of the
9 complaint was sent to the subject of the complaint,
10 a copy of the notice shall be sent to the subject of
11 the complaint. Not more than five days following the
12 dismissal determination, a copy of the complaint and
13 the notice of dismissal shall also be sent to every
14 board member by ordinary or electronic mail. If the
15 board chairperson determines>
16 2. Page 1, line 26, after <investigation.> by
17 inserting <The notice of dismissal shall include
18 a statement regarding the filing period for
19 reconsideration of legal sufficiency of the complaint.>
By STECKMAN of Cerro Gordo

H-1046 FILED FEBRUARY 19, 2013

HOUSE FILE 215

H-1047

1 Amend the amendment, H-1014, to House File 215, as
2 follows:
3 1. Page 2, line 8, by striking <two> and inserting
4 <four>
5 2. Page 2, line 10, by striking <two> and inserting
6 <four>
7 3. Page 2, line 25, by striking <two> and inserting
8 <four>
9 4. Page 2, line 27, by striking <two> and inserting
10 <four>

By STECKMAN of Cerro Gordo

H-1047 FILED FEBRUARY 19, 2013

HOUSE FILE 215

H-1048

1 Amend the amendment, H-1014, to House File 215 as
2 follows:

3 1. Page 1, after line 4 by inserting:

4 <Sec. _____. Section 8.57E, subsection 2, Code 2013,
5 is amended to read as follows:

6 2. Moneys in the taxpayers trust fund shall only be
7 used pursuant to appropriations or transfers made by
8 the general assembly for tax relief.>

9 2. Page 3, after line 3 by inserting:

10 <Sec. _____. Section 257.16A, Code 2013, is amended
11 by adding the following new subsection:

12 NEW SUBSECTION. 1A. For each fiscal year beginning
13 on or after July 1, 2013, and after the transfer
14 in section 257.16B, there is transferred from the
15 taxpayers trust fund created in section 8.57E to the
16 fund an amount necessary to lower all school district
17 adjusted additional property tax levy rates to the
18 statewide maximum adjusted additional property tax
19 levy rate pursuant to section 257.15, subsection 4,
20 after taking into account amounts allocated pursuant to
21 section 257.15, subsection 4, and amounts deposited in
22 the fund under section 423F.2, subsection 3.>

23 3. Page 3, by striking lines 6 through 36 and
24 inserting:

25 <1. a. A school district property tax replacement
26 fund is created in the state treasury under the
27 authority of the department of education. For each
28 fiscal year beginning on or after July 1, 2013, there
29 is transferred from the taxpayers trust fund created in
30 section 8.57E to the fund an amount necessary to make
31 all school district property tax replacement payments
32 under this section.

33 b. There is appropriated annually all moneys in
34 the fund to the department of education for purposes
35 of providing replacement payments to school districts
36 pursuant to this section.

37 2. For each budget year beginning on or after July
38 1, 2013, the amount of money in the school district
39 property tax replacement fund shall be used to provide
40 school district replacement payments to each school
41 district in the state as calculated in subsection 3,
42 paragraph "c", and subsection 4, if applicable.

43 3. For each budget year beginning on or after July
44 1, 2013, the department of management shall calculate
45 for each school district all of the following:

46 a. The state cost per pupil for the budget year
47 beginning July 1, 2012, multiplied by one hundred
48 percent less the regular program foundation base per
49 pupil percentage pursuant to section 257.1.

50 b. The state cost per pupil for the budget year

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1 beginning July 1, 2013, multiplied by one hundred
2 percent less the regular program foundation base per
3 pupil percentage pursuant to section 257.1.

4 c. The amount of each school district's property
5 tax replacement payment. Each school district's
6 property tax replacement payment equals the school
7 district's weighted enrollment for the budget year
8 multiplied by the remainder of the amount calculated
9 for the school district under paragraph "b" minus
10 the amount calculated for the school district under
11 paragraph "a".

12 4. If an amount appropriated for a fiscal year is
13 insufficient to pay all school district replacement
14 payments for the budget year, the director of the
15 department of management shall prorate the amount of
16 each school district's property tax replacement payment
17 and notify the director of the department of education
18 of such prorated amounts.

19 5. School district replacement payments under this
20 section shall be paid by the department of education at
21 the same time and in the same manner as foundation aid
22 is paid and may be included in the monthly payment of
23 state aid under section 257.16, subsection 2.

24 6. Notwithstanding section 12C.7, subsection 2,
25 interest or earnings on moneys deposited in the fund
26 shall be credited to the fund. Moneys in the fund are
27 not subject to the provisions of section 8.33 and shall
28 not be transferred, used, obligated, appropriated,
29 or otherwise encumbered except as provided in this
30 section.>

31 4. Page 18, after line 23 by inserting:

32 <____. Title page, line 6, after <appropriations> by
33 inserting <and transfers>>

34 5. By renumbering as necessary.

By WOOD of Scott

HALL of Woodbury

H-1048 FILED FEBRUARY 19, 2013

HOUSE FILE 215

H-1049

1 Amend the amendment, H-1016, to House File 215, as
2 follows:

3 1. By striking page 1, line 48, through page 4,
4 line 47.

5 2. By renumbering as necessary.

By DOLECHECK of Ringgold

H-1049 FILED FEBRUARY 19, 2013

HOUSE FILE 215

H-1050

1 Amend the amendment, H-1033, to House File 215 as
2 follows:

3 1. Page 2, after line 38 by inserting:

4 <____. By striking page 13, line 24, through page
5 21, line 26.

6 _____. Page 29, by striking lines 27 through 28 and
7 inserting <educational programs and assess student
8 learning, or to engage in peer review pursuant to
9 section 284.8, subsection 1. The>

10 _____. By striking page 30, line 28, through page 31,
11 line 11, and inserting <parents, students, and other
12 teachers. The first and second year of review shall be
13 conducted by a peer group of teachers. The peer group
14 shall review all of the peer group members. Peer group
15 reviews shall be formative and shall be conducted on
16 an informal, collaborative basis that is focused on
17 assisting each peer group member in achieving the goals
18 of the teacher's individual professional development
19 plan. Peer group reviews shall not be the basis for
20 recommending that a teacher participate in an intensive
21 assistance program, and shall not be used to determine
22 the compensation, promotion, layoff, or termination
23 of a teacher, or any other determination affecting a
24 teacher's employment status. However, as a result of a
25 peer group review, a teacher may elect to participate
26 in an intensive assistance program. Members of the
27 peer group shall be reviewed every third year by
28 at least one evaluator certified in accordance with
29 section 284.10.>

30 _____. Page 39, line 12, by striking <site-based
31 review council> and inserting <teacher advisory
32 committee>

33 _____. Page 39, line 13, by striking <3> and
34 inserting <4>

35 _____. Page 39, line 29, by striking <site-based
36 review council> and inserting <teacher advisory
37 committee>

38 _____. Page 40, lines 16 and 17, by striking
39 <site-based review council> and inserting <teacher
40 advisory committee>

41 _____. Page 40, line 18, by striking <council> and
42 inserting <committee>

43 _____. Page 41, by striking lines 16 through 35, and
44 inserting:

45 <4. a. Each school district attendance center
46 shall convene a teacher advisory committee composed
47 of an odd number of teachers who shall be appointed
48 by a majority vote of the teaching staff employed by
49 the school district to work at the attendance center
50 full-time. The committee shall review each application

1 submitted to the committee by a classroom teacher who
2 wishes to become a model, mentor, or lead teacher.
3 Applications selected by a simple majority vote of the
4 committee members shall be submitted by the committee
5 to the administrators of the attendance center.
6 Applicants shall be reviewed by the administrators
7 of the attendance center who shall, by a simple
8 majority final vote, determine whether to approve the
9 application. Any applicant who receives at least two
10 final votes is eligible for appointment as a model,
11 mentor, or lead teacher. If multiple applicants are
12 determined to be eligible, the eligible applicants
13 shall be interviewed by a team consisting of a member
14 of the teacher advisory committee; an administrator who
15 previously reviewed the application and voted on the
16 application; and the attendance center's principal,
17 who shall consider the advice of the teacher on the
18 interview team.>

19 _____. Page 42, line 1, by striking <c.> and
20 inserting <b.>

21 _____. By striking page 45, line 16, through page 46,
22 line 16.>

23 2. By renumbering as necessary.

By MASCHER of Johnson

HOUSE FILE 215

H-1051

1 Amend the amendment, H-1043, to House File 215, as
2 follows:
3 1. Page 1, by striking lines 2 through 4 and
4 inserting:
5 _____. Page 8, by striking line 7 and inserting
6 <employment in Iowa.
7 (1) Annually, the department shall report>
8 _____. Page 8, line 11, by striking <this paragraph>
9 and inserting <~~this paragraph~~ the indicators>
10 _____. Page 8, by striking lines 14 through 22
11 and inserting <administered by the same assessment
12 provider.
13 (2) Notwithstanding subparagraph (1), for the
14 school year beginning July 1, 2014, and each succeeding
15 school year, the rules shall provide that all students
16 enrolled in school districts in grades three through
17 eleven shall, within forty-five days of the end of the
18 school year, be administered an assessment that at a
19 minimum assesses the indicators identified in this
20 paragraph "b"; is aligned with the Iowa common core
21 standards in both content and rigor; is developed by a
22 consortium in which the state of Iowa is a participant;
23 accurately describes student achievement and>
24 _____. Page 8, line 26, before <The> by inserting:
25 < (3) The director shall establish a task force
26 to review and assist with the final development
27 and implementation of the assessment specified in
28 subparagraph (2). The task force members shall include
29 but not be limited to teachers, school administrators,
30 business leaders, representatives of state agencies,
31 and members of the general public. This subparagraph
32 is repealed July 1, 2015.
33 (4)>
34 _____. Page 8, line 29, after <paragraph> by
35 inserting <"b">
36 2. Page 1, by striking lines 26 through 28 and
37 inserting <with the career pathways leadership process;
38 and for other costs>
39 3. Page 1, line 39, by striking <until July 1,
40 2016, or>
41 4. Page 1, by striking lines 49 and 50 and
42 inserting:
43 _____. Page 45, line 29, by striking <index> and
44 inserting <grade>
45 _____. Page 45, by striking line 31 and inserting
46 <grade may also be used as one measure to rank and
47 classify schools>
48 5. Page 2, after line 5 by inserting:
49 <_____. Page 46, line 7, by striking <index> and
50 inserting <grade>>

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Page 2

1 6. By renumbering as necessary.

By JORGENSEN of Woodbury

H-1051 FILED FEBRUARY 19, 2013

HOUSE FILE 215

H-1052

1 Amend the amendment, H-1043, to House File 215 as
2 follows:

3 1. Page 2, after line 5 by inserting:

4 <____. Page 48, after line 20 by inserting:

5 <DIVISION _____

6 TRANSPORTATION ASSISTANCE AID

7 Sec. _____. Section 257.31, subsection 17, paragraph

8 a, Code 2013, is amended to read as follows:

9 a. If a district's average transportation costs
10 per pupil exceed the state average transportation
11 costs per pupil determined under paragraph "c" by ~~one~~
12 ~~hundred-fifty~~ seventy percent, the committee may grant
13 transportation assistance aid to the district. Such
14 aid shall be miscellaneous income and shall not be
15 included in district cost.

16 Sec. _____. APPLICABILITY. This division of this Act
17 applies to school budget years beginning on or after
18 July 1, 2014.>>

19 2. By renumbering as necessary.

By DOLECHECK of Ringgold

H-1052 FILED FEBRUARY 19, 2013

Fiscal Note

Fiscal Services Division



HF 167 – Newborns and Illegal Drugs (LSB 1665HV)

Analyst: Beth Lenstra (Phone: (515-281-6301) (beth.lenstra@legis.iowa.gov))

Fiscal Note Version – New

Requested by Representative Mary Wolfe

Description

House File 167 creates a new child endangerment offense, applied to a mother that causes an illegal drug to be present in her newborn child's body. The new child endangerment offense is punishable as a Class "D" felony.

Background

Correctional and Fiscal Information

- According to the Department of Human Services (DHS), during calendar year 2011, there were 90 children aged one month or less that were victims of abuse related to illegal drugs in the child's body. Typically, 21 (23.3%) of these children are placed in foster care and 69 (76.7%) remain at home and the family receives services from the DHS.
- The annual cost of foster care placement is \$9,235, with \$6,183 paid from State funds for the State share.
- It takes about 24 months to finalize an adoption. The average annual cost for adoption subsidy is approximately \$7,500, with \$4,200 being the State's share.
- Termination of Parental Rights (TPR) proceedings cost \$1,800 per case to the indigent defense budget.
- Current law provides a graduated system of penalties for child endangerment, ranging from an aggravated misdemeanor to a Class "B" felony, depending on the specific crime and circumstances of the offense. Offenders charged under [Iowa Code section 726.6](#) may plead to a lesser offense and be convicted of an aggravated misdemeanor rather than the Class "D" felony imposed in the Bill.
- The marginal cost per day for State prison is \$17.60. The average cost per day for parole or probation in Community-Based Corrections (CBC) is \$3.66.
- According to the Justice Data Warehouse, the State Public Defender's Office, the Department of Corrections (DOC), and the Judicial Branch, the following are estimates for sentencing, length of stay, indigent cost, and case cost for those convicted of a Class "D" felony or aggravated misdemeanor for crimes against persons or child endangerment offenses:

Criminal Justice System Information

Type of Conviction	Percent Sentenced to Prison	Avg Length of Stay in Prison	Percent Sentenced to Probation	Avg Length of Stay on Probation	Avg Length of Stay on Parole	Cost of Indigent Defense	Avg. Cost Per Case for Judicial Branch
Class "D"	25.0%	21 months	75.0%	33.9 months	12.5 months	\$1,200	\$427
Aggravated Misdemeanor	6.0%	8 months	94.0%	20.4 months	5.5 months	\$1,200	\$209

Minority Data Information

- The race of the mother is not tracked. Of the 90 children cited above, 68.0% were white, 16.0% were Black, 7.0% were identified with two or more races, 6.0% were listed as unknown, and 3.0% were American Indian, Alaska Native, Asian, or Hawaiian.
- Approximately 18.0% of offenders convicted of child endangerment in FY 2012 were Black.

Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated February 11, 2013, for information related to minorities in the criminal justice system.

Assumptions

Correctional and Fiscal Information:

- There will be 69 children impacted annually. Of these, two-thirds (46) will be placed with relatives while one-third (23) will be placed in paid foster care.
- There will be 12 additional adoption cases annually under the Bill.
- There may be an increase in Termination of Parental Rights (TPR) proceedings. To the extent that these proceedings increase with indigent parties involved, there will be an impact on the indigent defense budget. That impact cannot be estimated, but is not expected to be significant.
- Charge, conviction, and sentencing patterns and trends will not change over the projection period.
- Prisoner length of stay, revocation rates, plea bargaining, and other criminal justice policies and practices will not change over the projection period.
- The law will become effective July 1, 2013. A lag effect of six months is assumed from the effective date to the date of first entry of affected offenders into the correctional system.
- These will be bench trials. Half of the defendants will be indigent.
- There will be an increase in county jail sentences for misdemeanor convictions. Marginal costs for county jails cannot be determined due to a lack of data. For the purpose of this analysis, the marginal cost for county jails is \$15.00 per day.

Minority Data Information: The impact on minorities will remain consistent with current data.

Summary of Impacts

Correctional Impact

There will be an estimated 44 offenders annually convicted under this Bill; these will be new offenders in the criminal justice system. Of the 44 offenders, 18 will be Class "D" felons and 26 will be aggravated misdemeanants. On an annual basis, these offenders will be sentenced as follows: seven annually to prison and 37 to probation. The table below shows the increase in the corrections population.

Correctional Impact					
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Prison	4	9	10	10	10
CBC	18	39	43	44	44
Total	22	48	53	54	54

On an annual basis, five offenders will be sentenced to county jail for an average length of stay of 33 days. These offenders will then be placed on CBC supervision.

Minority Impact

To the extent the Bill results in additional criminal convictions, there will be a disproportionate impact on minorities because approximately 16.0% to 18.0% of offenders convicted under the Bill's provisions may be minorities. Additional criminal convictions will result in an increased number of minority offenders supervised in the corrections system.

Fiscal Impact

The fiscal impact is estimated to be an increased cost of \$192,600 in FY 2014 and \$414,400 in FY 2015. The table below shows the impact by funding source. Criminal justice system costs are expected to level off in FY 2017, when the number of offenders entering the system is equivalent to the number of offenders exiting the system. The impact to the DHS budget will be to the foster care placement budget.

Fiscal Impact by Funding Source

	FY 2014			FY 2015		
	General Fund	Federal Funds	Total	General Fund	Federal Funds	Total
Court System	\$ 19,200	\$ 0	\$ 19,200	\$ 38,000	\$ 0	\$ 38,000
Indigent Defense	28,000	0	28,000	54,000	0	54,000
Prison	13,000	0	13,000	58,000	0	58,000
CBC	12,000	0	12,000	52,000	0	52,000
DHS	80,400	40,000	120,400	142,200	70,200	212,400
Total	<u>\$ 152,600</u>	<u>\$ 40,000</u>	<u>\$ 192,600</u>	<u>\$ 344,200</u>	<u>\$ 70,200</u>	<u>\$ 414,400</u>

There will be a cost to county jail operating budgets of approximately \$2,500 annually.

There will be a cost to the DHS adoption subsidy program starting in FY 2016, of approximately \$90,000 annually, with \$50,400 paid from the General Fund for the State's share.

Sources

Department of Human Services
Department of Human Rights, Criminal and Juvenile Justice Planning Division
Department of Corrections
Judicial Branch
State Public Defender's Office

/s/ Holly M. Lyons

February 19, 2013

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

Fiscal Note

Fiscal Services Division



Amendment [H-1014](#) to [House File 215](#) – Education Reform (LSB 1485HV)
Analyst: Shawn Snyder (Phone: (515) 281-7799) (shawn.snyder@legis.iowa.gov)
Fiscal Note Version – New

Description

Amendment [H-1014](#) to [HF 215](#) includes the following provisions:

- Establishes the FY 2014 and FY 2015 regular school aid allowable growth rate at 2.0% for each fiscal year.
- Establishes the FY 2014 and FY 2015 State categorical supplement allowable growth rates at 2.0% for each fiscal year.
- Requires any property tax increase resulting from the per pupil growth amount of the additional levy (also referred to as the “second effort”) due to the establishment of the regular school aid allowable growth rate to be replaced with State aid.
- Replaces the term allowable growth with the term supplemental state aid in regards to school finance funding.

Background

Establishing an allowable growth rate increases the per pupil funding levels. The amendment will provide supplemental state aid increases for 10 State cost per pupil amounts and the corresponding district and area education agency (AEA) cost per pupil amounts for FY 2014 and FY 2015. The following table provides the supplemental State aid amounts for the 10 State cost per pupil amounts.

Regular School Aid Per Pupil Components	FY 2013 State Cost Per Pupil Amounts	FY 2014			FY 2015		
		FY 2014 Allowable Growth Rate	Growth in FY 2014 Cost Per Pupil Amounts	State Cost Per Pupil Amount	FY 2015 Allowable Growth Rate	Growth in FY 2015 Cost Per Pupil Amounts	State Cost Per Pupil Amount
Regular Program	\$ 6,001.00	2.0%	\$ 120.00	\$ 6,121.00	2.0%	\$ 122.00	\$ 6,243.00
Special Education Program	6,001.00	2.0%	120.00	6,121.00	2.0%	122.00	6,243.00
AEA Special Education Support	263.51	2.0%	5.27	268.78	2.0%	5.38	274.16
AEA Media Services	49.13	2.0%	0.98	50.11	2.0%	1.00	51.11
AEA Educational Services	54.22	2.0%	1.08	55.30	2.0%	1.11	56.41
State Categorical Supplements							
Teacher Salary - Districts	\$ 517.17	2.0%	\$ 10.34	\$ 527.51	2.0%	\$ 10.55	\$ 538.06
Professional Development - Districts	58.57	2.0%	1.17	59.74	2.0%	1.19	60.93
Early Intervention	63.80	2.0%	1.28	65.08	2.0%	1.30	66.38
Teacher Salary - AEAs	27.07	2.0%	0.54	27.61	2.0%	0.55	28.16
Professional Development - AEAs	3.16	2.0%	0.06	3.22	2.0%	0.06	3.28

Increasing the regular program State cost per pupil by 2.0% in FY 2014 will increase the per pupil amount by \$120.00. Of that amount, 87.5% (\$105) will be absorbed by State aid while the remainder (\$15) is absorbed by local property tax (referred to as the “second effort”). However, H-1014 requires that the increase in the per pupil second effort portion be funded with State aid. The provision applies to per pupil growth amounts beginning in FY 2014 and continues in subsequent fiscal years.

The estimated State aid increase and corresponding property tax reduction per pupil amounts (compared to current law estimates) based on the 2.0% allowable growth rates are as follows:

- FY 2014 = \$15.00 of the \$120.00 increase.
- FY 2015 = \$15.00 of the \$122.00 increase. The cumulative impact will be \$30.00 of the \$242.00 increase compared to the FY 2013 per pupil amount.
- The provision will also have an impact in subsequent fiscal years and will be impacted by the per pupil growth amounts in those years.

Assumptions

The following assumptions were used to determine the estimated fiscal impact:

- Enrollments include the October 2012 certified enrollments and Department of Education enrollment projections for FY 2015.
- The FY 2014 supplementary and special education weightings are based on the preliminary data from fall 2012. The FY 2015 estimates assume a 1.0% increase in special education weightings, a 1.0% increase in at-risk weightings, a 7.0% increase in English-as-a-second language (ESL) weightings, and a decrease of 30.6% for sharing weightings.
- Statewide taxable valuation growth will be 3.94% for FY 2014 and 4.25% for FY 2015. Based on these assumptions, the statewide total for the uniform levy is estimated to account for \$30.8 million of the school foundation property tax change in FY 2014 and \$32.2 million in FY 2015. The estimated increase in the uniform levy amount is not impacted by the establishment of the allowable growth rate.
- State aid funding includes funding from the State General Fund and other funds appropriated or deposited in the Property Tax Equity and Relief (PTER) Fund that is used to provide additional property tax relief through the school aid formula.
- Establishing an allowable growth rate will also impact the amount of funding generated for the Statewide Voluntary Preschool Program. Funding for the Program is provided with State General Fund dollars and is included in the overall State aid total.
- Districts eligible for the 101.0% budget adjustment (also referred to as the budget guarantee) will approve use of that provision. The Legislative Services Agency (LSA) estimates include a total budget adjustment of \$11.2 million in FY 2014 and \$30.9 million for FY 2015 based on 2.0% allowable growth rates for each fiscal year.
- Beginning in FY 2014, the additional \$20.0 million State aid reduction to AEAs implemented in FY 2012 and FY 2013 will be restored.

Fiscal Impact

The estimated fiscal impact of H-1014 is an increase of \$76.0 million (2.9%) in State General Fund expenditures for State school aid in FY 2014, and \$51.3 million (1.9%) in FY 2015. The following table provides detail of the Statewide school aid totals for FY 2014 and FY 2015.

Program funding levels include:

- The State categorical supplements are estimated to increase \$7.8 million (2.4%) in FY 2014 and \$8.8 million (2.7%) in FY 2015.
- The Statewide Voluntary Preschool Program is estimated to increase \$5.0 million (8.3%) in FY 2014 and \$4.6 (7.1%) million in FY 2015.

- The total school aid funding amount (referred to as the combined district cost) is estimated to increase \$103.0 million (2.6%) in FY 2014 and \$103.0 million (2.6%) in FY 2015.
- Compared to current law estimates, the additional State aid for property tax relief provision will increase State aid (and reduce property taxes) by \$8.3 million in FY 2014 and \$16.5 million compared to FY 2015 (an increase of \$8.2 million compared to the FY 2014 amount). These amounts are included in the overall State General fund impact noted above.

State School Aid Funding: FY 2012 Through Est. FY 2015						
Estimates Based on House Amendment to HF 215						
(Dollars in Millions)						
	FY 2013 - 2% Allowable Growth	Change from FY 2012	FY 2014 - 2% Allowable Growth	Change from Est. FY 2013	FY 2015 - 2% Allowable Growth	Change from Est. FY 2014
Regular School Aid	\$ 2,280.9	\$ 23.9	\$ 2,337.1	\$ 56.2	\$ 2,366.7	\$ 29.6
Additional State Aid for Property Tax Relief*	NA	NA	8.3	8.3	16.5	8.3
Total Regular School Aid**	\$ 2,280.9	\$ 23.9	\$ 2,345.4	\$ 64.5	\$ 2,383.3	\$ 37.9
Teacher Salary Supplement	260.0	3.2	266.3	6.3	273.4	7.1
Professional Development Supplement	29.5	0.4	30.2	0.7	31.0	0.8
Early Intervention Supplement	30.3	0.4	31.1	0.8	31.9	0.8
Total State Categorical Supplement	\$ 319.8	\$ 3.9	\$ 327.5	\$ 7.8	\$ 336.3	\$ 8.8
Total School Aid w/o Preschool	\$ 2,600.7	\$ 27.8	\$ 2,672.9	\$ 72.2	\$ 2,719.6	\$ 46.6
Preschool Aid	\$ 60.4	\$ 2.0	\$ 65.4	\$ 5.0	\$ 70.1	\$ 4.6
Total State Aid Amount for School Programs	\$ 2,661.1	\$ 29.9	\$ 2,738.4	\$ 77.3	\$ 2,789.6	\$ 51.3
PTER Funding	\$ 7.4	\$ 0.7	\$ 8.7	\$ 1.3	\$ 8.7	\$ 0.0
Total State General Fund Amount for School Aid	\$ 2,653.7	\$ 29.2	\$ 2,729.7	\$ 76.0	\$ 2,781.0	\$ 51.3
Uniform Levy Amount	\$ 729.7		\$ 760.5	\$ 30.8	\$ 792.9	\$ 32.3
Total Unadjusted Additional Levy Amount	612.4		621.2	8.7	653.4	32.3
Additional State Aid for Property Tax Relief*	NA	NA	-8.3	-8.3	-16.5	-8.3
Property Tax Adjustment Aid (from GF)	-24.0	0.0	-24.0	0.0	-24.0	0.0
Property Tax Adjustment Aid (from PTER)	-7.4	-0.7	-8.7	-1.3	-8.7	-0.0
Total Foundation Property Tax	\$ 1,310.8	\$ -3.7	\$ 1,340.8	\$ 30.0	\$ 1,397.1	\$ 56.3
Combined District Cost	\$ 3,910.7	\$ 23.4	\$ 4,013.7	\$ 103.0	\$ 4,116.7	\$ 103.0
Est. Budget Guarantee Amount			\$ 11.2	\$ 30.9		
Number of Districts with Budget Guarantee:			134	186		
Notes:						
*Estimates include the provision that provides property tax relief for any increase resulting in the per pupil increase funded with property tax to be funded with State aid.						
**Regular school aid estimate amounts include the restoration of the additional AEA reduction of \$20.0 million beginning in FY 2014. Also includes PTER Funds used for property tax relief.						
***Based on the current law amount for PTER.						
Budget guarantee amounts provided are included in the total foundation property tax amounts displayed.						
GF = General Fund						
PTER = Property Tax Equity and Relief Fund						
FY 2014 and FY 2015 estimates are based on a variety of assumptions that are subject to change. For a complete list of assumptions, contact the LSA.						
Combined district cost represents the total school foundation funding amount and is not impacted by a reduction in State school aid.						
Totals may not sum due to rounding.						
Estimates are not official or final. The Department of Management will provide the official school aid amounts.						
18-Feb-13						
SCHLAID_V2.3_FY13_FY17_H1014.sas						

Sources

Iowa Department of Education, Certified Enrollment (Preliminary), and Enrollment Projections files

Iowa Department of Management, School Aid file

LSA analysis and calculations

/s/ Holly M. Lyons

February 19, 2013

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

Fiscal Note

Fiscal Services Division



HF 221 – Military Retirement Pay Exemption (LSB 1471HV)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 221 exempts federal retirement pay received by a resident for military service from the State individual income tax. The exemption is effective for tax years 2013 and after.

Assumptions

- 1) At the end of 2012, there were 12,818 military retirees living in Iowa and their combined taxable retirement income is estimated to be \$266.8 million.
- 2) The number of military retirees is assumed to increase 1.0% per year.
- 3) The average military retirement compensation is assumed to increase 4.4% to 4.7% per year.
- 4) Estimates are adjusted for the portion of military retirement benefits that are currently exempt through Iowa's pension exemption of \$6,000 (single) and \$12,000 (married). The military exemption will be in addition to any pension, individual retirement account, or 401(k) retirement income the retired military veteran may receive.
- 5) The average marginal tax rate for persons receiving pensions is 5.3% to 5.6%.
- 6) Statewide, the local option income surtax for schools tax equals 2.7% of State individual income tax revenue, net of refunds.

Fiscal Impact

The income tax exemption contained in HF 221 is projected to reduce net General Fund revenue by \$1.4 million in FY 2013 and grow to \$18.0 million by FY 2017. The impact in future fiscal years will be similar to FY 2017.

Summary of Fiscal Impacts

Dollars in millions

	State General Fund Impact	Local Option Income Surtax Impact
FY 2013	\$ -1.4	\$ 0.0
FY 2014	-20.0	-0.5
FY 2015	-16.1	-0.4
FY 2016	-16.9	-0.5
FY 2017	-18.0	-0.5

The military retirement tax exemption reduces taxable income and also reduces the amount of surtax raised by any school district that has a local option income surtax. Statewide, that impact is 2.7% of State individual income tax revenue, or \$38,000 in FY 2014, growing to an estimated \$486,000 in FY 2018 and after.

Source

Department of Revenue

/s/ Holly M. Lyons

February 19, 2013

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